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**Summary record of the 41st meeting**
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*President*: Mr. Palma Cerna (Vice-President) (Honduras)

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*In the absence of Mr. Oh Joon (Republic of Korea), Mr. Palma Cerna (Honduras), Vice-President, took the Chair.*

*The meeting was called to order at 3.15 p.m.*

**Agenda item 5: High-level segment** (*continued*)

**(c) Development Cooperation Forum** (*continued*) (E/2016/65)

*Session I "Supporting national efforts to achieve the full ambition of the 2030 Agenda, leaving no one behind"*

1. **Mr. Minah** (Sierra Leone), delivering a statement on behalf of the keynote speaker, Mr. Conteh, Minister of State II of Finance and Economic Development of Sierra Leone, said that the first year of the Sustainable Development Goals would be crucial to ending poverty globally and increasing prosperity for all. If followed, the new policy of putting first those furthest behind would lead to unprecedented results. Programme delivery methods would need to be re-engineered at the national, regional and global levels in order to achieve results. New cooperation tools would also be needed to achieve the desired outcomes. Those tools should be evidence-based and guided by well-defined principles of development engagement.

2. Additional funding was needed for least developed and fragile countries such as Sierra Leone, in order to build resilient national systems able to withstand domestic and external shocks and achieve comprehensive structural transformation. In addition, greater attention should be paid to strengthening domestic institutions to ensure sustainable financing. Proper targeting of resources should be accompanied by state-of-the-art monitoring mechanisms. That would affect all aspects of development cooperation, including resource channelling from North to South, South to South and within national delivery systems.

3. Blended financing instruments must be put to use as part of an effort to encourage innovative financing. The issue was not necessarily one of injecting new capital into constrained economies but of infrastructure that enabled capital flows to reach areas greatly in need. Those structural foundations remained underdeveloped in many least developed countries such as Sierra Leone.

4. Serious enhancements would be required to accommodate new capital injection. Mobile money telephone technology had proven to be a vital tool for socioeconomic exchanges between rural areas and urban centres across the developing world. However, national mobile telecommunications network coverage, currently very limited in some countries, must be expanded to spread the benefits to millions of people in rural areas. Telecommunications networks were crucial, not only for financial transactions but also for social actions, such as disseminating health information in real time, and for facilitating the use of other development products and services.

5. Strengthening institutions and property rights within the least developed countries was critical for mobilizing financing through private sector participation. Public financial management programmes should be strengthened through capacity-building and local revenue mobilization.

6. To ensure increased domestic development financing in the least developed countries, illicit financial flows must be curbed. According to many economic commentators, Africa could receive most of the financing it needed if illicit financial flows in the region, including through commercial activities, drugs, terrorist financing and corruption, were effectively curbed. According to current estimates, some 50 billion dollars were being lost to illicit financial flows in Africa.

7. Other areas where strong cooperation and enhanced local implementation were required included building capacity for the preparation of bankable projects in the least developed countries, supporting weak States in adding value to their products, promoting private sector development and trade, and supporting technologies and innovative partnerships in the least developed countries and around the world.

8. Partnerships relating to climate change, disaster mitigation and adaptation, disease and national disaster surveillance mechanisms, subregional governance initiatives, disaster management and other matters of cross-border and global concern should receive particular attention.

9. There had been frequent references in the high-level political forum on sustainable development to the role of efficient data systems as a key element in

leaving no one behind. Such systems, which were poorly developed in many of the least developed countries, were a prerequisite for any meaningful achievement of the global agenda in those economies.

10. The international community must remain committed to the principles guiding development engagement in fragile States. As the current Chair of the Group of Seven Plus, a signatory to the New Deal for International Engagement in Fragile States and Co-Chair of the International Dialogue on Peacebuilding and State-building, Sierra Leone had a global responsibility in that regard.

11. The world should recommit to promoting the use of country systems and mutual accountability frameworks to provide external assistance in support of implementation of the Sustainable Development Goals in fragile contexts. The international community should also renew its commitment to the Stockholm Declaration on Addressing Fragility and Building Peace in a Changing World. The Stockholm Declaration was required to implement the New Deal as a means of ensuring effective delivery of the Goals across all fragile and conflict-affected environments. The current discussions on the role of development cooperation in the implementation of the Goals should generate further inputs and support national implementation.

12. **Mr. Miranda Flamenco** (Deputy Minister of Development Cooperation, El Salvador), panellist, said that there had been Sustainable Development Goals training in El Salvador for civil society leaders, local authorities and national leaders in both the executive and legislative branches of Government. A national sustainable development agenda was currently being established. That involved an analysis of the development plan at country level to determine synergies and similarities in order to structure an approach to the Goals that would enable Salvadorans to take ownership. The final stage would be to establish a national council to include leaders from academia, civil society, the judiciary, the Government and the private sector, in order to monitor implementation of the Goals.

13. Consistency was needed between international and government plans, and clear analysis of the statistical system of El Salvador to determine the living conditions of the population at the start of the process and where the country stood on each of the Goals and to establish how they would be achieved over the course of 15 years. New cooperation would be focused on the Goals, and in particular on supporting structural changes to make them more sustainable.

14. The necessary institutions were in place. Continuity would be necessary, however, as would the participation of citizens in the creation of a national plan. The latter was the sole guarantee of sustainability, regardless of the Government in place. Contact with all sectors of society would be the most effective way to achieve the Goals in a lasting way. The Government had involved the marginalized population, so as to leave no one behind, and there had been 4,500 consultations with public sector leaders.

15. **Mr. Sundaram** (Economist and former Assistant Secretary-General for Economic Development at the United Nations), moderator, recalled the need to begin with those who were the furthest behind, which represented a major challenge for all involved.

16. **Mr. Van de Vreken** (Deputy Chief of Staff of the Office of the Deputy Prime Minister and Minister for Development Cooperation, Digital Agenda, Telecom and Post, Belgium), panellist, said that official development assistance (ODA) had a comparative advantage over other means of implementation, as the only tool that focused on ending poverty. ODA must therefore be used in a well-targeted and efficient way.

17. The use of ODA must be rethought in line with international trends and the new paradigm. As there were fewer aid-dependent countries than previously, ODA was no longer the main driver of development, except in the least developed countries. ODA must be used more as seed money for innovative financing, and also to support domestic resource mobilization. Although in many developing countries, domestic resource mobilization was still insufficient to eradicate poverty by 2030, less than 0.1 per cent of ODA was currently allocated to support it. More efforts were therefore required. ODA should be used in countries, such as the least developed countries, where the alternatives were insufficient.

18. According to the International Labour Organization, in order to eradicate poverty by 2030, it would be necessary for non-least developed countries to commit 0.3 per cent of their gross domestic product

on an annual basis, with least developed countries themselves committing several times that amount. Otherwise, in 2030 the main pockets of poverty would be situated in the least developed countries.

19. Another important lesson learned was that resources should not be overlooked. As clearly stated in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, domestic resource mobilization, improved taxation, remittances, foreign direct investment, trade and private sector development were all part of the equation.

20. While donors were currently exempted from taxes, that should be changed in order to strengthen partner countries' tax systems. There should also be a far greater focus on private sector development in partner countries, especially for small and medium enterprises, which were frequently considered too risky to receive funds from local banks.

21. Innovative financing was also important. Recently, the Government of Belgium, jointly with the International Committee of the Red Cross, had launched a humanitarian impact bond, which included a social investor and outcome funder. The investor and funder had agreed with an implementing agency to set a particular goal for five years hence, with the payout based on the result achieved.

22. A rights-based approach was equally essential. Sustainable and inclusive economic growth and Goal 16 were significant factors, as was democracy. Peaceful societies were a prerequisite for development. Indeed, in his report *In Larger Freedom*, Kofi Annan had said: "We will not enjoy security without development, we will not enjoy development without security, and we will not enjoy either without respect for human rights."

23. Lastly, digitalization for development had received pride of place in the policies of Belgium.

24. **Mr. Sundaram** (Economist and former Assistant Secretary-General for Economic Development at the United Nations) said that achieving greater international cooperation on taxation issues had been a major problem over the last decade. A mandate for the United Nations to meet its obligations on greater international tax cooperation was needed.

25. **Ms. Nayar** (Director, Regions Refocus, Dag Hammarskjöld Foundation), panellist, said that the mission of Regions Refocus was to co-construct progressive, heterodox, feminist policies driven by autonomous civil society movements together with progressive policymakers and regional institutions. In the Caribbean, Regions Refocus was engaged in co-constructing viable policy alternatives to the current and future debt crisis. In Africa, it was working on the Continental Free Trade Area currently being negotiated by the African Union. The objective was to ensure that the new trade agreement fostered meaningful regional integration that contributed to the structural transformation of Africa in order to improve the well-being of farmers, traders, consumers and producers on the continent.

26. The principle of solidarity in development cooperation must be restored. Such cooperation had moved away from serving as public external capital, supplementing the domestic capital of developing countries, becoming instead a lever to implement neoliberal policies to build markets. It no longer supported national development policy choices and had shifted from building needed public infrastructure, including social infrastructure, to providing humanitarian and highly targeted narrow types of aid in sectors that structural adjustment had hurt the most. For example, African States were receiving money to meet the costs of adjusting to the economic partnership agreements, meaning that development aid was flowing towards trade liberalization rather than technical assistance.

27. The original concept of ODA, as solidarity money to top up the public expenditures of developing countries based on their autonomous development planning, must be reclaimed. ODA should not determine macroeconomic or trade policy. While policy autonomy of recipient countries was critical, Governments were accountable to their citizens, who should be involved in national development policy planning and formulation. Autonomous civil society mechanisms must be resourced for effective policy input. The purpose of that was not policy ownership, but policy integrity. Development cooperation must support citizen groups in order to bring public opinion to bear on the choices and actions of Governments. The Goals would never be realized unless policy

formulation was autonomous and citizen participation had integrity.

28. Paradoxically, African civil society groups were unable to raise their own resources, and people at the grassroots level were therefore increasingly unable to articulate their demands. Unless marginalized communities were resourced to articulate their vision, the Goals would never be owned or realized. The Goals could not be implemented on behalf of the marginalized. Resources must support the building of infrastructure for collective organizing that would allow marginalized groups to affect implementation of the Goals.

29. Increasingly, development assistance was being spent in donor countries on the refugee crisis, and less was being spent on autonomous civil society movements in the South. On the one hand, conflicts were causing the refugee crisis, and donors were moving ODA to cope with the so-called humanitarian crisis at home, thereby depriving the countries of origin of ODA and causing further destabilization. On the other hand, so-called defence expenditures were skyrocketing, and civil society and cultural workers who could cultivate empathy and an understanding of cause and effect, and who could hold their Governments to account, were being defunded and silenced.

30. Development cooperation must support development imperatives that were defined regionally as well as nationally. Untied aid had become even more essential, as perhaps the only helpful element in the basket of external capital coming into developing countries. Northern countries must not only fulfil their ODA obligations, but must do so in a way that supported the Goals and also the broader agenda for structural transformation, moving away from the neoliberal policies of the last 30 years and towards the progressive, heterodox feminist policies called for on the ground.

31. **Mr. Osotimehin** (Executive Director, United Nations Population Fund), panellist, said that the Sustainable Development Goals were indivisible and interrelated and should not be implemented in silos. They were designed to complement each other, and they must be addressed together. That was the only way to ensure that no one was left behind.

32. The whole of society must be involved, which meant that Governments must be open to civil society, and indigenous, sustainable civil society organizations and the private sector must play a role. The Goals would cost far more than what would come from ODA or national budgets. Everyone, including the private sector, must therefore act together. The United Nations could create conditions for Governments to build partnerships in the most transparent and accountable way possible, ensuring national ownership of Government plans and implementation.

33. There was much talk of resources, but little mention of people, who were in fact the most important resource and must be developed to sustain growth and development in countries. In Africa, 60 to 70 per cent of the population was below 35 years of age. Discussions should take place about the kinds of education and health care they needed, and how to ensure their access to entrepreneurship, training and education about sexuality and family planning, so that they could build and sustain prosperity in their countries. In his work with some 30 Governments in Africa, such issues had been a part of planning for the Sustainable Development Goals.

34. Lastly, money recovered from illicit flows should be diverted to train young people, so that they could build and sustain development.

35. **Mr. Sundaram** (Economist and former Assistant Secretary-General for Economic Development at the United Nations) said that the General Assembly had recently declared a United Nations Decade of Action on Nutrition. However, it would be difficult to achieve much progress without a whole-of-society approach and with women in special leadership positions, given their particularly important role in nutrition.

36. **Mr. Alonso Rodríguez** (Professor of Applied Economics, Complutense University of Madrid and member of the United Nations Committee for Development Policy), panellist, said that ODA could play an important role in supporting the 2030 Agenda for Sustainable Development, but that the Agenda clearly went far beyond ODA. Development cooperation would nonetheless remain useful as long as it was explicitly geared towards correcting market asymmetries and promoting sustainable and inclusive development strategies. However, to increase its capacity for supporting the Agenda, several changes

and clarifications were needed. The concept of development cooperation must expand beyond ODA. Until recently, many had identified development cooperation as encompassing only or primarily ODA, but as the number and diversity of providers had increased rapidly, that notion could not be maintained.

37. Together with a colleague, he had defined development cooperation as encompassing all international interventions and activities, public and private, specifically intended to support development through actions that would not be promoted by the market alone. Development cooperation involved correcting market results and failures.

38. Development cooperation was explicitly intended to support national or international development priorities; it was not profit-driven; it discriminated in favour of developing countries; and it was based on cooperative relationships to enhance country ownership. Development cooperation was distinct from financing in that the latter responded exclusively to market criteria, whereas development cooperation included action that did not involve financial transfers. It was no longer only a matter of official finance and was more concerned with the quality of the relationships between partners than with the quantity of resources mobilized.

39. Clear rules for allocating international support were needed. Development cooperation must be comprehensive, complex and differentiated, in line with the multifaceted nature of the 2030 Agenda and the heterogeneity of the Goals. Development cooperation operated on the two related levels of global redistribution and development incentives, levels that were compatible but distinct. Global redistribution was more relevant for poor countries, while development incentives were more important for countries with a higher level of development.

40. Development cooperation was the optimal approach for resource distribution, resting on a decent, reliable system with voluntary international transfers. It was important to maintain conventional rules in order to guarantee an equilibrium between different proposals. That explained the international agreement on maintaining a minimum floor of aid to the least developed countries and other countries with structural vulnerabilities. It was important to maximize the dynamic effects of aid relative to the incentive that it promoted.

41. Finally, development cooperation sought to enhance countries' capacities for promoting inclusive and sustainable development strategies, which might appear incompatible with drawing sharp distinctions between countries based on their per capita gross domestic product. When a country crossed an arbitrary line in per capita income, nothing automatically changed. The logic of 'graduation' was controversial, creating problems with regard to equality. In order to respond to the multidimensional nature of development challenges, a more complex criterion for graduation eligibility must be defined.

42. **Ms. Pham** (Executive Director for Policy, United Nations Foundation), panellist, said that one overriding question during the high-level political forum had been how to assist countries with implementation of the 2030 Agenda. It was extremely important not to forget what had been agreed to a year earlier in the Addis Ababa Action Agenda, including what financing was needed, how to mobilize resources, where such resources would come from and what they would be spent on in order to achieve the 2030 Agenda, including at the national level.

43. The 2030 Agenda was universal. Application at the national level would call for a shift in political dynamics and in thinking about the uses to which ODA and development cooperation were put. The Agenda was also integrated. The targets and Goals were related to one another, and it was not possible to focus on just one specific area. For instance, the climate agenda must be integrated with the Goals, including institutionally within the United Nations. Work could not be limited to specific ministries or departments operating separately. Focusing on those who were furthest behind, especially women and girls, was the transformational theme of the Goals, and that would have an outsized effect on other areas.

44. At the high-level political forum, it had become clear that there were major data gaps and that investments in statistical data architecture were crucial. If that was not on a proper footing, especially in the first few years, there would be serious difficulties later on. More discussions on statistical capacities were therefore needed.

45. Infrastructure had been a major theme of discussions at the third International Conference on Financing for Development in Addis Ababa, including finding ways to leverage public finance towards low-carbon and resilient infrastructure to make gains in economies and transform them.

46. At the same time, institutional corruption must be tackled and institutions strengthened. Institutions that created an enabling environment must be set up to attract foreign investment in the private sector and strengthen the tax system.

47. It was crucial to invest in and pay attention to situations in fragile and conflict-affected States, especially in places where there were protracted crises. It was frequently said that humanitarian and refugee funding might detract from development assistance. However, it was important to keep in mind the long-term trajectory, considering where those who were furthest behind in conflict areas would be residing and planning those investments now.

48. **Mr. Sundaram** (Economist and former Assistant Secretary-General for Economic Development at the United Nations) said that in the past the emphasis had been on what was known in the development world as "low-hanging fruit". However, the Sustainable Development Goals had been designed to address the difficult questions rather than defer them.

49. **Ms. Matamoros** (Honduras) said that her country had the political will to carry out the actions necessary to leave no one behind, but political will was not always the missing ingredient needed to achieve deep change. Political intelligence was necessary, as was a realistic, objective and clear implementation strategy. The success of the 2030 Agenda would involve recognizing domestic realities. The principle of shared responsibility must begin within nations, with citizens' and leaders' awareness and identification by them of virtues and weaknesses. It must also go beyond borders and required joint work with other countries.

50. The strategic plan of Honduras was aligned with the 2030 Agenda, based on a national plan for 2010-2022 and a country vision for 2010-2038. A public policy aimed at achieving a better life and equality had been devised to respond to the needs of the most vulnerable, based on the Sustainable Development Goals. It focused on people in extreme poverty, who had been the object of a census and were recorded in a single participants' registry. To date, the programme had benefited 400,000 people.

51. Honduras was one of seven pilot countries in a programme to build capacities through development, based on the Sustainable Development Goals. Middle-income countries, where 70 per cent of poverty in the world was to be found, required differentiated attention from the United Nations development system. Those countries had increased their income but still faced huge challenges and vulnerability. The diversity of national situations must be considered, and the definition of poverty should go beyond per capita income.

52. Climate change and extreme forced migrations meant that the current historical moment was not an easy one. Leaders would have to work together with citizens who were active, critical, informed, impatient and aware of their rights, but whose responsibilities were not being recognized. Honduras therefore had a domestic plan in place to take effective measures and to implement what had been learned in the current discussions. No country should use social, economic and environmental challenges as an excuse.

53. **Mr. Nyembe** (South Africa) said that while the Sustainable Development Goals were supposed to build on the Millennium Development Goals (MDGs), there was still unfinished business with regard to the latter. He wondered whether the ambitious 2030 Agenda, with its integrated and indivisible Goals, could be achieved within the time frame established. He also wondered how Member States could work together, with the support of the United Nations and other relevant non-State actors, to curb illicit financial flows, and whether it was possible to truly commit to curbing those flows.

54. South Africa, like other countries, was trying to incorporate the Sustainable Development Goals into its domestic legislation. Thought must now be given to communication strategies to ensure that no one was left behind.

55. As had been noted, ODA remained unique and important, and ODA commitments must be met. The concept of development cooperation was broadening, but ODA remained a global public good.

56. **Ms. Ghartey** (Observer for Ghana) said that development cooperation had not delivered on its mandates. Cooperation was usually driven by supply, with various strings attached that did not necessarily benefit recipient countries. Development partners should not continue with business as usual, while expecting different results. The "carrot and stick" approach, which had been ineffective in the past, should not be a feature of the Sustainable Development Goals era. In development cooperation, one size did not fit all. Room for adaptation was called for, so that development partners and developing countries could determine their own parameters. It was important to respect country-level priorities and align with them. In the past, development cooperation had hurt the vulnerable.

57. **Mr. Parenti** (Observer for the European Union) said that the European Union and its member States were determined to play a full part in the 2030 Agenda. The European Union global strategy on security foreign policy set out the strategic direction for the full range of external action, taking implementation of the 2030 Agenda fully into account. The core development policy of the European Union would be revised, based on a new European development consensus that would align European Union development cooperation policy with the 2030 Agenda. A public consultation on the issue was under way, and all views would be welcomed as the initial proposal was being prepared.

58. In the Addis Ababa Action Agenda, Member States had agreed to mobilize all means of implementation, including financial, non-financial, public, private, domestic and international. It was necessary to consider how development cooperation could best support the implementation of the 2030 Agenda. Circumstances would differ from country to country. Therefore, differentiated partnerships with countries at all stages of development were needed. National ownership would be particularly important.

59. **Mr. Bastien** (Observer for Haiti) said that each country faced different problems in meeting the 2030 Agenda. In Haiti, political instability made it difficult to achieve progress. There were also grave social and economic problems, with limited resources owing largely to a drop in oil prices. Some infrastructure projects had been suspended because the Government was having difficulties in securing needed resources. The end of electoral assistance one year earlier meant that Haiti must cover the cost of elections itself, something it had not done in decades. Austerity measures would have economic repercussions for the country. A lack of infrastructure investment also had consequences for Haiti, as did the fact that it had been receiving much of its support from the Bolivarian Republic of Venezuela. Millions of people would be left behind in Haiti because of an unwillingness to help and to consider their problems. The United Nations must therefore consider its situation and assist in finding genuine solutions.

60. **Mr. Osotimehin** (Executive Director, United Nations Population Fund) said that countries must put their resources to work. ODA should be set up so that it worked within countries and with the country's leadership. It was up to that leadership to place those who had been left behind, especially women and girls, at the centre of development.

61. **Mr. Miranda Flamenco** (Deputy Minister of Development Cooperation, El Salvador) said that the unmet commitments in the Monterrey Consensus of the International Conference on Financing for Development had been repeated in the Addis Ababa Action Agenda. The concept of development cooperation covered a wider field than ODA. Greater solidarity was thus needed to achieve the Sustainable Development Goals.

*The meeting was suspended at 4.25 p.m. and resumed at 4.35 p.m.*

### *Session II "Aligning development cooperation to contribute to the different aspects of the 2030 Agenda"*

62. **Mr. Choi** Jong-moon (Deputy Minister for Multilateral and Global Affairs, Ministry of Foreign Affairs, Republic of Korea), delivering the keynote address, said that there had been a shift in the global development paradigm that must be taken into account in development cooperation. The Sustainable Development Goals were more ambitious than the MDGs, so their implementation would require an unprecedented amount of resources. Furthermore, there was now a broad range of stakeholders, including private sector actors, non-governmental organizations and philanthropic groups. It was also significant that

the 2030 Agenda emphasized the links between the economy, the environment and society.

63. To take those developments into account, multi-stakeholder partnerships should be promoted with a view to fostering the sharing of knowledge and technological resources to address socioeconomic problems in developing countries. Since ODA was not sufficient to achieve the objective of leaving no one behind, it would be essential to mobilize all available resources through multi-stakeholder partnerships and public policies that provided incentives for the private sector to include the poor in their production chains. For example, Vietnamese chili pepper farmers had successfully been incorporated into the production chain of a major food processing company in his country. Given the broad scope of the 2030 Agenda, it would also be necessary to take a whole-of-government approach to development through coordination and collaboration between ministries, even where there were conflicting interests and priorities.

64. In addition, developing countries should take ownership of development efforts, and their partners must align their work with national priorities and results frameworks. In that regard, his Government had developed a country partnership strategy that involved consulting with the Governments of developing countries to identify priority sectors for action.

65. **Mr. Sriskanadarajah** (Secretary-General, CIVICUS, World Alliance for Citizen Participation), moderator, said that civil society organizations were equal partners in sustainable development efforts. The Development Cooperation Forum provided a space to discuss how practices could change to ensure the achievement of the 2030 Agenda.

66. **Mr. Nebebe** (Director of the United Nations Agencies and Regional Economic Cooperation Directorate, Ministry of Finance and Economic Development, Ethiopia), panellist, said that the 2030 Agenda had been taken into account in his country's five-year development plan. His Government was placing a particular emphasis on the environmental aspects of the Agenda, as those had proved to be a weak point in his country's implementation of the MDGs. His Government had developed a policy matrix with indicators and annual targets for each sector and had established monitoring institutions. Sectors that were assigned targets also had access to funds from the national budget to implement actions to achieve them. The Government had developed a strategy for the establishment of a climate-resilient green economy and had adopted a multisectoral approach to its implementation by giving responsibility to both the Ministry of Finance and the Ministry of Environment, Forest and Climate Change.

67. **Mr. Massina** (Secretary-General, Government of Togo and member of the United Nations Committee of Experts on Public Administration), panellist, said that the 15-year suspension of development aid to his country had left it in a precarious position. Furthermore, the implementation of the Sustainable Development Goals would require vast resources while ODA was likely to stagnate or decrease. His Government had therefore worked to reduce its debt and rebuild the economy in order to attract the partners needed to supplement its domestic resources for development. The vast majority of his country's external debt had been cancelled through the Heavily-Indebted Poor Countries Initiative, and his Government had also implemented a strategy to reduce its internal debt. Additional measures to strengthen and promote confidence in the national economy included a reform of the tax collection system and the simplification of the process for setting up a company.

68. Thanks to those efforts, his Government was now establishing relationships with development partners. It only worked with partners that aligned themselves with the national priorities and whose support would further the implementation of the Sustainable Development Goals. His country was seeking to work with a diverse range of partners, including through South-South cooperation and the involvement of the Togolese diaspora.

69. **Ms. Laatu** (Deputy Director-General for Development Cooperation, Ministry of Foreign Affairs, Finland), panellist, said that her Government was bringing its development cooperation strategy into line with the 2030 Agenda. As part of its overall objective of eradicating extreme poverty and reducing inequality, it gave particular attention to the promotion of the rights of women and girls; the strengthening of economies in order to improve employment levels, livelihood opportunities and well-being; the establishment of democratic and well-functioning

societies with proper taxation systems, food security, access to water and energy; and the sustainable use of natural resources.

70. Finnish non-governmental organizations were active participants in discussions on the national implementation of the 2030 Agenda. Such organizations were not obliged to align themselves with the Government's priority sectors, but they were required to take a human rights-based approach in order to receive government funding. To promote alignment with the priorities of developing countries, priority for funding was given to organizations that worked in partnership with civil society organizations on the ground. Private sector partners were also expected to act in accordance with the principles of Finnish development cooperation policy.

71. There was still unfinished work to be done on the Paris Declaration on Aid Effectiveness, especially regarding the alignment of aid with the priorities and systems of developing countries. In particular, better use should be made of indicators of progress such as country results frameworks.

72. **Mr. Shearman** (Ambassador, Permanent Mission of the United Kingdom to the United Nations and former United Kingdom High Commissioner to Uganda), panellist, said that his country was working to clarify its cooperation for development objectives and to adopt a whole-of-government approach. The commitment to spend 0.7 per cent of the country's gross national income (GNI) on ODA, which was enshrined in domestic law and would not be affected by the withdrawal of the United Kingdom from the European Union, had not been without political controversy. It was therefore hugely important for the Government to maintain political and public support for that level of spending by ensuring transparency, focusing on results and making the purpose of the spending clear.

73. The Government's aid strategy, which was useful for communicating with the domestic audience and also established the basis for policy coherence, contained four clear objectives, which were in line with the Sustainable Development Goals: tackling extreme poverty and helping the world's most vulnerable; strengthening global peace, security and governance; promoting global prosperity; and strengthening resilience and response to crises, including by linking humanitarian and development efforts to better respond to long-running crises. To align its efforts with the priorities of recipient countries, his Government delegated a significant amount of responsibility to local offices and sought to work with Governments and other partners on the ground to identify shared outcomes. It was vital to focus on outcomes rather than processes.

74. **Mr. Campolina** (Chief Executive Officer, Action Aid), panellist, said that Governments should move from rhetoric to action in order to achieve the aims of the 2030 Agenda. They should also refrain from actions that would impede the implementation of the Agenda, such as signing tax treaties that undermined the mobilization of internal resources. Overcoming inequality would require a redistribution of resources and equal access to land and decent work. Issues such as the gender pay gap and unpaid care must also be addressed.

75. To achieve those aims, effective country leadership and space for civil society and civic engagement would be essential. Taxation systems must be made adequate to fund high-quality public services. It was unfortunate that a multilateral agreement on tax had not been reached at the third International Conference on Financing for Development, but civil society organizations would continue to advocate for a United Nations global tax body to establish international rules to prevent tax evasion, in particular by multinational corporations.

76. South-South cooperation had the potential to provide effective solutions to inequality. In addition, States should uphold the principles of accountability, participation and country leadership, even during the current migration crisis. Trade and investment policies should also be adapted to enable the implementation of the Sustainable Development Goals. Civil society would continue to mobilize communities and raise awareness of the Goals with a view to ensuring their full implementation.

77. **Mr. Nebebe** (Director of the United Nations Agencies and Regional Economic Cooperation Directorate, Ministry of Finance and Economic Development, Ethiopia) said that to ensure that no one was left behind, development cooperation actors should target resources where the need was greatest. Moreover, development cooperation should shift

towards programme-based approaches such as long-term budget support and pooled funding, which would accelerate the achievement of the Sustainable Development Goals. A benefit of pooled funding was that it could also bring together the knowledge of partners from various sectors. His country aimed to have a single development plan, a single budget and a single monitoring mechanism for all of its development efforts.

78. **Mr. Motter** (Observer for the Inter-Parliamentary Union) said that good governance was essential for development cooperation, but parliaments tended to receive less support than ministries, leaving them less capable of overseeing various essential aspects of development cooperation, in particular the budget process. The problem might stem from the fact that donors dealt with Governments, which were perhaps more interested in developing their own capacities than in strengthening the oversight functions of parliaments. He asked how donors could allocate resources so that all institutions responsible for ensuring accountability and transparency received sufficient support.

79. **Mr. Sarufa** (Observer for Papua New Guinea) said that his country had adopted a medium-term development cooperation framework that its partners must respect. Assistance should be channelled through the national budget to ensure coherence between the efforts of national authorities and their partners. Instead of bypassing national systems and processes that they regarded as weak, development partners should help Governments to strengthen them. Priority areas for his country included human development, equality, participation and the responsible management of the environment and cultural heritage.

80. **Mr. O'Neill** (United Nations Development Programme) said that an ambitious whole-of-government and whole-of-society approach to sustainable development planning and implementation would be needed to ensure that billions of dollars of development resources could attract, mobilize and channel the trillions of dollars of investment from public, private, national and global sources that would be needed to implement the Sustainable Development Goals.

81. To that end, the United Nations should support policy and institutional reforms designed to manage contributions from a broader set of development actors and a wider range of sources of financing. The Organization should also promote transparency with regard to flows of financial and non-financial resources, which would provide insight into the effects of policy incentives. Lastly, it should work to ensure that all sectors of society were involved in development planning at the national and subnational levels, including through policy and legislative measures aimed at creating an enabling environment and building the capacities of stakeholders.

82. The United Nations was working to achieve those aims, for example, by supporting the Government of Mozambique in the development of an international cooperation policy and implementation strategy that would strengthen cooperation with all its partners. It was also assisting the Government of Ethiopia in developing and strengthening a structure to facilitate multi-stakeholder dialogues with trade unions and civil society organizations in order to improve the alignment of business and development objectives, promote sustainable consumption and production patterns, and encourage corporate social and environmental responsibility.

83. **Mr. Nebebe** (Director of the United Nations Agencies and Regional Economic Cooperation Directorate, Ministry of Finance and Economic Development, Ethiopia) said that his Government was working to build partnership with all stakeholders so that they could be fully and meaningfully involved in the planning, review, monitoring and evaluation processes. The Government was also working to improve the accessibility and reliability of its data and information, including by working with partners to develop a national statistical system to track progress on development indicators.

84. **Mr. Massina** (Secretary-General, Government of Togo and member of the United Nations Committee of Experts on Public Administration) said that his Government was bringing various separate programmes together within the framework of the Sustainable Development Goals. Financial and non-financial cooperation would be accepted only if it was in line with the national priorities defined under that framework. His Government would also do more to ensure good programming at the national and local levels, including by putting systems and staff in place for the generation of reliable data.

85. **Ms. Laatu** (Deputy Director-General for Development Cooperation, Ministry of Foreign Affairs, Finland) said that her country intended to make even greater efforts to help developing countries establish sound knowledge bases. Responding to the comments from the observer for the Inter-Parliamentary Union, she said that her Government's development cooperation work included support for parliamentary oversight.

86. **Mr. Shearman** (Ambassador, Permanent Mission of the United Kingdom to the United Nations and former United Kingdom High Commissioner to Uganda) said that his Government would mould its approach to the provision of financial aid into a whole-of-society and whole-of-government approach that used a wide range of instruments to support partner Governments in the most effective way. Aid should be provided in a transparent manner in order to allow Governments to take those resources into account in their programming and budgeting processes, even if the aid was not delivered in the form of direct budget support. There should also be detailed discussions enabling partner Governments to determine where their priorities aligned and to design flexible programmes that could be adapted as alignment increased. His Government was committed to directing its ODA where it was most needed, could do most good and could be most catalytic, including places beset by fragility and conflict.

87. **Mr. Campolina** (Chief Executive Officer, Action Aid) said that his organization was committed to bottom-up mobilization. A human rights-based approach to development involved respecting the right of rights-holders, including civil society organizations, to organize themselves and hold all actors to account.

88. The international community should consider whether existing accountability instruments were effective or were in fact creating problems. The accountability system should be based on the needs of those living in poverty and exclusion. However, many tools were biased towards the needs of donors and, as such, undermined or failed to take due account of the factors necessary for achieving systemic change. His organization agreed with the fundamental principles of concepts such as results-based management and value for money, but in practice their implementation often failed to benefit those living in poverty. Stakeholders should be held accountable primarily for how they met the needs of the persons they were supposed to be helping.

89. **Mr. Sriskanadarajah** (Secretary-General, CIVICUS, World Alliance for Citizen Participation) said that the support expressed for multi-stakeholder partnerships was encouraging, but the deteriorating conditions for civil society in many parts of the world gave cause for concern. The emphasis on data, as the area where the greatest alignment could be achieved most quickly, was also welcome. The Global Partnership for Sustainable Development provided a way to ensure that data systems were interoperable and that all stakeholders contributed to the data revolution that would enable more effective cooperation for development.

*The meeting was suspended at 5.40 p.m. and resumed at 5.45 p.m.*

### *Session III "Southern partners advancing mutual learning and envisioning the contribution of South-South cooperation for sustainable development"*

90. **Mr. Roy** (Director of the National Institute for Public Finance Policy, Ministry of Finance, India), delivering the keynote address, said that throwing money or even, unfortunately, ideas at developing countries was not the solution. The countries of the Global South needed access to such development instruments as finance, technology and quality capacities and institutions, which remained restricted. South-South cooperation was therefore highly relevant as it had originally been conceived: a political attempt to bring together developing countries of the Global South to address questions of access. South-South cooperation was political not altruistic, nor was it a complement to ODA.

91. While concessional finance remained important, the biggest financial challenge was obtaining access to non-concessional finance in the areas where the countries of the South needed it. The most critical barrier to access to finance was a lack of infrastructure. Infrastructure was necessary for development and for achieving the Sustainable Development Goals because it affected climate change, poverty and equitability.

92. However, infrastructure development required access to long-term finance, which rested largely in the hands of sovereign wealth funds and insurance companies located in the North. While investment in the South should be attractive to such companies in view of the better interest rates offered, the barrier euphemistically called "regulatory risk" prevented that market mechanism from functioning. Regulators quantified regulatory risk based on countries' institutional and political credibility. Although the private sector was entitled to do what it wanted, the Council should acknowledge the need to debate the legitimacy of such practices, because they were choking access to non-concessional finance.

93. Through South-South cooperation, countries of the Global South were seeking to address the lack of access to infrastructure, for example with the International Solar Energy Alliance, an initiative launched at the Conference of the Parties to the United Nations Framework Convention on Climate Change. Through the Alliance, which was a political attempt to solve the access problem, and not a replacement for ODA, countries which benefited from a lot of sun would come together to provide renewable energy across the Global South.

94. The Alliance was also a response to the technological barrier. If citizens of the Global South wanted to protect the environment and use the most efficient batteries and solar systems available instead of burning coal, they were obliged to use intellectual property owned by 5 of the 10 richest countries in the world. Between 25 and 30 per cent of the revenue from the use of that technology reverted to those countries, making access to technology political, and an issue which the Council should address.

95. The third barrier to access related to capacity: the ability to take charge of one's own affairs and deliver the expectations of the electorate in a manner that addressed the political development mandate, which was a country-specific process. Capacity must be created by people who understood that political context dictated what was feasible and that cultural, institutional, political and historical specifics determined what kind of capacity could work. For example, an Indian programme had brought together a community of students from across the developing South to deliver technological solutions, one outcome of which was the establishment of a centre for information technology in Ghana to support the development of information technology capacity in Africa. The idea behind South-South capacity-building cooperation was not that a country with insufficient processing capacity to make the best use of its natural resources should seek assistance from a country that excelled in that area. Instead, that country should be helped to develop its own capacity.

96. South-South cooperation could support implementation of the Sustainable Development Goals by facilitating access to finance, technology and capacity. It was a weapon of the weak, however, and would remain so until powerful financial institutions like the International Monetary Fund and the World Bank decided to change their approach. If South-South cooperation was considered a political tool to address access, it would support implementation of the Goals. However, that would not be the case if South-South cooperation was viewed through the traditional development cooperation lens and the scepticism regarding its political expediency continued. That would be a great disservice to future generations, in both the North and the South.

97. **Ms. Casar** (Executive Director of the Mexican Agency for International Development Cooperation, Ministry of Foreign Affairs, Mexico), moderator, said that the discussion would address the contribution that South-South cooperation could make to sustainable development, and its political and practical implications; how partners in the South could ensure the relevance and efficiency of capacity reinforcement and technology transfer; and what lessons could be learned from South-South cooperation.

98. **Mr. Ayante** (Minister of Planning and International Cooperation, Somalia), panellist, describing how South-South cooperation could support achievement of the Sustainable Development Goals, said that national institutions should cooperate horizontally, for instance through knowledge and information sharing by government agencies. At the international level, countries could share what they had learned from the implementation of the MDGs. Cooperation between the civil societies and private sectors of the countries of the Global South would be vital. Research should be conducted to identify the

barriers to achieving the Sustainable Development Goals across the South, and to find solutions.

99. Secondly, different levels of government should cooperate vertically. Such cooperation would be similar in many countries; therefore countries could learn from each other. Policies and actions should be streamlined.

100. Thirdly, the Sustainable Development Goals, and the targets under them, should be tailored to respond to each country's unique context.

101. Lastly, transformative action was needed to coordinate and streamline action across States for optimal implementation. The Sustainable Development Goals provided the countries of the Global South with an opportunity to advance their collective interest and learn from each other.

102. **Mr. Almino** (Director, Brazilian Agency for Cooperation), panellist, said that South-South cooperation would be one of the supporting pillars of the 2030 Agenda. Governments of the South involved in cooperation should remain true to the principles of South-South cooperation, for instance by respecting other Governments' policy space in line with the non-prescriptive nature of South-South cooperation.

103. The original conception of South-South cooperation should not change; countries would follow diverse paths and focus on their strengths. Divisions regarding what constituted South-South cooperation were not productive and might prevent developing countries from understanding its dynamics and vitality.

104. Collecting and organizing data on South-South cooperation was a challenge. Consequently, Governments had often relied on information gathered by other actors, which was sometimes collected for a specific purpose and focused on a single aspect of South-South exchanges, such as monetary quantification. The use of such data resulted in under-accounting, unilateral segregation of data and inaccurate classification of South-South cooperation.

105. In addition to monetary transfers, South-South partnerships also entailed knowledge-exchange, technology transfer, resilience-building, development of human capital and capacity-building for the development, implementation and evaluation of public policies. The quality, structure and outcomes of South-South cooperation should remain in focus.

106. Developing countries had understood the importance of coming together to provide long-term financing mechanisms to support growth and development. The Addis Ababa Action Agenda stated that investment in a resilient and sustainable infrastructure was a prerequisite for achieving the Sustainable Development Goals. New financial institutions such as the New Development Bank of Brazil, the Russian Federation, India, China and South Africa (the BRICS countries) and the Asian Infrastructure Investment Bank had been created as a result of the insufficient resources offered by traditional development banks to meet increasing demands. Lastly, the fortieth anniversary of the Buenos Aires Plan of Action in 2018 would be an opportune occasion for a renewed focus on South-South cooperation.

107. **Mr. Chediek** (Envoy of the Secretary-General on South-South Cooperation and Director of the United Nations Office for South-South Cooperation), panellist, said that the 2030 Agenda embodied a return to a comprehensive vision of development. For many years international development cooperation efforts had focused on the consequences of a lack of development: poverty, exclusion and social problems. The 2030 Agenda brought a renewed focus on economic growth and investment, requiring a broader range of cooperation initiatives. Certain countries of the Global South had demonstrated that it was possible to achieve sustainable economic and social development. There was extraordinary capital in the South that would allow countries, working together, to build a new sustainable world. Improved regional coordination mechanisms meant that countries which had previously looked to the North for ideas were now collaborating and learning from each other. Triangular cooperation, involvement in which was a worthwhile investment for developed countries, had also blossomed since its inception in 1993.

108. There were political and institutional problems with South-South cooperation: many poor developing countries found it difficult to contribute resources to other countries, and development cooperation institutions were designed to receive cooperation, not provide it. Those difficulties must be transcended by

demonstrating that South-South cooperation generated excellent results. The international system, developed to channel North-South cooperation, needed to be revamped. The United Nations system had made significant progress in that regard. The fortieth anniversary of the Buenos Aires Plan of Action would indeed provide a good opportunity to renew the commitment to South-South cooperation and develop a new matrix for its analysis.

109. Peru's conditional cash transfer programme was illustrative of both the potential of South-South cooperation and the limitations with regard to measuring impact. Inspired by a Brazilian model, the Government of Peru had launched a programme which essentially involved groups of experts from the two countries exchanging knowledge. Despite minimal monetary investment, making it difficult to quantify its impact, the initiative had lifted more than 2 million people out of poverty.

110. **Mr. Ziller** (Germany) said that ODA remained important, but new forms of development cooperation were playing an increasingly significant role. South-South cooperation enabled countries to learn from their peers in order to overcome barriers to access, and made a considerable financial contribution to development. However, the exact amount of its contribution was not measured.

111. "South-South cooperation in support of the Sustainable Development Goals" should be defined since it was unclear whether any action between countries of the South would qualify, or whether an action must specifically contribute to the achievement of one or more of the Goals in a quantifiable way. Specific and transparent criteria, like those used to qualify ODA, would be beneficial. Analysis of exactly how actions contributed to the achievement of the Goals would make it possible to quantify the impact of South-South cooperation.

112. It was also necessary to determine what was meant by "the South". Nine countries belonging to the Group of 77 and China were among the top 35 economies according to the country rankings of the International Monetary Fund and the World Bank, while 12 to 14 European Union countries were not. He therefore wondered whether it still made sense to classify development cooperation initiatives implemented by low-ranking European countries as North-South cooperation, or programmes created by the top 10 countries of the South as South-South cooperation. It might be better instead to focus simply on which countries were capable of helping others, without reference to geography.

113. **Mr. Gamboa** (Observer for Colombia) said that assessing the results of South-South cooperation was critical. Qualitative and quantitative elements could not be measured using one system. The Agency was working to define qualitative indicators, such as level of knowledge shared, visibility and image generated, quantity or capacity of networks generated, alignment with the Sustainable Development Goals, and capacity of projects to reduce exclusion. It was necessary to move away from exchanges, although they were positive, towards a project-based concept of South-South cooperation. Despite the associated challenges, South-South cooperation had enormous potential, and its qualitative and quantitative value added should be analysed.

114. **Mr. Bayley Angeleri** (Observer for the Bolivarian Republic of Venezuela) said that South-South cooperation should be comprehensive, country-owned and strategic. In the spirit of voluntary bilateral cooperation, to overcome common development challenges, his Government had established PetroCaribe, an energy agreement which facilitated Caribbean countries' fair and favourable access to energy. In the 11 years since its launch, PetroCaribe had not only increased access to energy, but had contributed to economic and social transformation. The United Nations Office for South-South Cooperation should be strengthened to be better positioned to promote such voluntary processes. With regard to access to finance, he asked the panellists how the costs of financial transactions between countries could be reduced.

115. **Ms. Chartsuwan** (Observer for Thailand) said that South-South cooperation should complement, and not replace, North-South cooperation. Thailand needed to develop its science and technology capacity, and build research and development centres. The Government of Turkey was to be commended for offering to host the United Nations Technology Bank for least developed countries. Still more could be done to share technology. Stronger policy coordination between Headquarters and the regional commissions

was needed. In addition, the coordination and support role of the United Nations Office for South-South Cooperation should be enhanced. Sharing best practice, especially countries' unique approaches to implementing the Sustainable Development Goals, was an important component of South-South cooperation. In that connection, various countries had successfully applied Thailand's "sufficiency economy" approach in the areas of capacity-building, agriculture and commodity development.

116. **Mr. Parenti** (Observer for the European Union) said that the European Union was committed to meeting its ODA target of 0.7 per cent of GNI within the time frame of the 2030 Agenda, and to allocating to least developed countries 0.15 per cent of GNI in the short term, and 0.20 per cent in the long term. Developing countries should take ODA into consideration when setting policies. The keynote speaker had made an important point in stating that South-South cooperation was political. In addition to North-South barriers to access, however, trade barriers between countries of the Global South hindered development. He therefore asked what kind of political response was needed.

117. **Mr. Levaggi** (International Labour Organization) said that development cooperation was in flux; since 1978 it had evolved from consisting of technical assistance to the current South-South and triangular cooperation model. Its categorization depended not only on the actors involved, but on the type of cooperation, with the new model shaped by notions such as solidarity, ethical imperative, respect, listening, cooperation between peers and not imposing agendas. While the International Labour Organization had had very positive South-South cooperation experiences, outdated perceptions of development cooperation remained to be overcome. Institutions such as the Asian Infrastructure Investment Bank, the Development Bank of Latin America and the New Development Bank of the BRICS countries were becoming key players in multilateral South-South cooperation financing. His organization had been working with a range of countries to promote decent work and translate experience into concrete results.

118. **Ms. Palomares** (Reality of Aid) said that enhancing policy coherence and accountability was crucial for ensuring the relevance and effectiveness of South-South cooperation. In practice, that entailed three elements. First, South-South cooperation must be guided by solidarity, mutuality and equality. The wishes of the receiving country needed to be respected and the relationship needed to be balanced and equal, with both partners responsible for the outcomes of the development project. Secondly, there must be democratic country ownership. It was not only Governments that should be active in partnerships: all the stakeholders whom projects were designed to benefit should be fully engaged and have ownership of projects. Thirdly, a rights-based approach must be taken. All too often human rights were not taken into consideration in the approach to development cooperation, when respect for human rights was one of the foundational pillars of South-South cooperation. Projects must conform to all relevant international and national human rights standards, and ensure the rights of women, indigenous peoples and other excluded groups.

119. **Mr. Roy** (Director of the National Institute for Public Finance Policy, Ministry of Finance, India) said that it was not per capita income that defined the Global South, but a shared history of lack of access and problems such as middle-income traps. Emerging economies which currently had high per capita income levels had contended with the same problems that currently faced poorer countries of the South, meaning that poorer countries could learn from their experiences.

120. With regard to measuring outcomes, he said that countries of the South were operating in a chaotic context, without the luxury of access and time for quantification. While measurement was important, the priority was assessing whether South-South cooperation fulfilled its mandate of addressing unequal access. If its results were to be measured, a new matrix was needed.

121. Concerning the kind of political solution needed, he said that countries of the Global South were able to work together to achieve political solutions despite their political differences: India and China had collaborated to establish the New Development Bank, for example. The failure of the major multilateral financial institutions to reform meant that countries of the South must resort to the second best option, the new alternative financing institutions.

122. **Mr. Gaouaoui** (Algeria) said that his country's development plan was predicated on the idea that the South could develop only on the basis of equitability, social progress, respect for sovereignty and equal economic relations. His Government had integrated South-South cooperation into its development strategy, which extended beyond Algeria, including regional and even international objectives. South-South cooperation thereby had a role in achieving Algeria's international goals of structural transformation and reinforcement of progress, particularly in Africa.

123. The Government had established inclusive partnerships for concrete action in support of both sustainable economic interaction between countries of the South and achievement of the Sustainable Development Goals. It was also providing assistance to poorer countries. Since 2010, for instance, it had cancelled the debts of 16 countries, amounting to US$ 1.6 billion, in order to foster regional economic and social development.

124. Convinced that its own development was impossible without that of its immediate neighbours, Algeria was cooperating with countries in the region in the areas of trade, tourism and investment. He asked the panel how lessons from South-South cooperation could best be shared through the Council and the United Nations Office for South-South Cooperation.

125. **Ms. Massobrio** (International Trade Union Confederation) said that South-South cooperation had unique potential to redress the historical asymmetries between North and South and expand global cooperation governance. Three conditions were needed for its success. First, South-South cooperation must be democratically owned, with civil society organizations involved in its design, implementation and monitoring. The International Trade Union Confederation was ready to do its part to promote decent work and social protection as part of the 2030 Agenda. Second, an enabling environment was needed. That entailed recognition of civil society organizations as development actors, strengthening of democracy and social dialogue, and concrete commitments to human rights standards. Lastly, international frameworks on trade and taxation were required to give countries of the South the necessary fiscal space to pursue development. The pressure placed on developing countries for trade and fiscal liberalization limited their policy space, and tax evasion resulted in enormous losses of money that could otherwise be invested in the Sustainable Development Goals.

126. **Mr. Chediek** (Envoy of the Secretary-General on South-South Cooperation and Director of the United Nations Office for South-South Cooperation) said that a matrix for measuring the impact of South-South cooperation was important. The fortieth anniversary of the Buenos Aires Plan of Action would provide a good opportunity to develop a matrix: by then the follow-up mechanism for the Sustainable Development Goals would be established and more South-South cooperation would have taken place, both of which would make it easier to create a suitable measurement framework, which must assess qualitative as well as quantitative elements.

127. The annual Global South-South Development Expo also provided a good opportunity for stakeholders to see what South-South cooperation activities were taking place. He recommended that participants should attend the 2016 Expo in Dubai.

128. **Mr. Almino** (Director, Brazilian Agency for Cooperation) said that developing countries shared best practices because they knew what worked from their experience, which also enabled them to share failures, mistakes and challenges. In the experience of Brazil in South-South cooperation, countries were not donors and recipients but partners, and national priorities were respected.

129. While it was more important to measure qualitative elements than quantitative ones, the latter should also be measured. However, it was necessary to carefully consider what should be measured and how: it was hard to place a value on lives saved, for example. Developing countries should themselves define the parameters and indicators for South-South cooperation. In December 2015 Brazil had proposed a matrix for South-South cooperation that might serve as the basis for a discussion on evaluation.

130. Triangular cooperation was worthwhile despite the challenges it entailed, such as the need to harmonize distinct conceptual principles and practices, and to effectively share governance of the development process.

131. **Mr. Ayante** (Minister of Planning and International Cooperation, Somalia) said that there

should be more regional cooperation as countries in one region tended to face the same problems but independently develop solutions, which could usefully be shared. Secondly, the mainstreaming of trade into South-South cooperation would help to level the playing field and support development. Thirdly, there was a need for economic cooperation in key areas such as multinational enterprises, statistics and financing. Lastly, the United Nations Office for South-South Cooperation should prepare a platform for knowledge- and experience-sharing.

132. **Ms. Casar** (Executive Director of the Mexican Agency for International Development Cooperation, Ministry of Foreign Affairs, Mexico), summing up, said that the importance of South-South cooperation in achieving the 2030 Agenda made further discussion imperative. There were various forums coming up in the next two years that would allow time for actors to reach a consensus on how to quantify the results of South-South cooperation.

*The meeting rose at 7.15 p.m.*

*The meeting was called to order at 9.10 a.m.*

**Agenda item 5: High-level segment** (*continued*)

**(c) Development Cooperation Forum** (*continued*) (E/2016/65)

*Session IV: "Monitoring and review of development cooperation in the 2030 Agenda: quality, effectiveness and impact for sustainable development"*

1. **Ms. Mniki-Mangaliso** (Director, African Monitor), moderator, said that the 2030 Agenda for Sustainable Development implied a need for radical changes to development cooperation monitoring and review processes, since both the scope of development cooperation and the actors involved in it had changed. The principle of universality meant that mutual accountability was no longer merely desirable, but non-negotiable. Inclusion was another crucial principle. The pledge in the 2030 Agenda that no one would be left behind applied to every process, including monitoring and review. The new Agenda also reflected a shift towards a focus on outcomes.

2. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Department of Economic and Social Affairs), delivering the keynote address, said that 58 developing countries had responded to the latest Development Cooperation Forum survey of progress in mutual accountability. The findings unsurprisingly showed that, while progress was being made towards mutual accountability and transparency, they remained critical hurdles on the path towards the new development cooperation model. In developing countries, national development cooperation policies were increasingly replacing the aid policies of the past; parliaments were playing a growing role in development cooperation; and national coordination processes were becoming more inclusive. The survey also indicated that political leadership was key to coordinating donors and development partners.

3. He would be interested to hear the views of panellists and other participants on what kind of information the Development Cooperation Forum needed in order to encourage further progress, as well as on how to make sure that policy coherence was part of the debate, that accountability shifted away from recipient-donor relationships and was directed more towards the people, and that development cooperation focused less on averages and more on leaving no one behind.

4. **Mr. Twesiime** (Assistant Commissioner, Development Assistance and Regional Cooperation Department, Ministry of Finance, Planning and Economic Development, Uganda), panellist, said that progress towards the Sustainable Development Goals could be measured most easily if country results frameworks were based on national development plans; his Government, for example, had succeeded in incorporating 76 per cent of the Sustainable Development Goals into its national development plan. Once a national development plan had been designed in such a way as to support implementation and monitoring of international development goals, including the Sustainable Development Goals, the next crucial step was to ensure that all public investments were aligned with the plan. Results frameworks must be comprehensive and include policy-, programme- and activity-level outcomes in order to bring every stakeholder on board and make progress at every level from the bottom up.

5. Monitoring and reporting frameworks should contain precise indicators for Governments, development partners, and private sector and civil society organizations, to enable progress to be measured at the policy, programme and activity levels. They should provide incentives and penalties to encourage all stakeholders to meet their responsibilities. Countries also needed adequate coordination, planning and management capacity so that their national development plans could actually be implemented. There was a need to reform development cooperation by moving from aid-based towards results-oriented programmes. Making sustainable development a reality required maturity, patience, understanding and hard work.

6. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what was hindering the shift towards the new development cooperation model.

7. **Mr. Twesiime** (Assistant Commissioner, Development Assistance and Regional Cooperation Department, Ministry of Finance, Planning and Economic Development, Uganda) said that the greatest hindrance was the traditional mindset of the international community. A new perspective was

needed in thinking about aid and development cooperation.

8. **Ms. Killen** (Deputy Director, Development Cooperation Directorate, Organization for Economic Cooperation and Development (OECD)), panellist, said that, in order for development cooperation to have an impact, a common understanding of results was required. The visions of development partners and Governments must be brought closer together and aligned to national development plans; the Sustainable Development Goals provided an opportunity to align results frameworks. However, it was not straightforward for Governments to align their national development priorities with global goals. OECD analysis showed that providers monitored and reported the results of their development cooperation, but in relation to their domestic political agendas; more needed to be done to better align their monitoring with country-level goals.

9. Preliminary findings from the second monitoring round of the Global Partnership for Effective Development Cooperation showed that progress had been made in strengthening and using country results frameworks, and that reliance on national frameworks was increasing. Sector planning tools were being used more to prioritize areas of joint work and the coordination of country programming was improving. However, country results frameworks were still often used only in planning and not at the implementation and monitoring stages. An OECD survey conducted in May 2016 indicated that donors were ready to align results to the Sustainable Development Goals.

10. In order to incentivize alignment of development cooperation with national development plans, open discussions of the interests of all stakeholders were needed, and mechanisms for mutual accountability must be established. Countries set their own domestic political priorities and relied on existing budgets for programming and monitoring, in line with the national ownership of development. Development partners must therefore use the national frameworks established, and partnerships should focus on commonalities.

11. With regard to the need for adequate capacity, it was important to strengthen parliaments, which could bring together different forms of development cooperation within a given budget, and to ensure accountability to taxpayers. As well as working with its Development Assistance Committee, OECD, jointly with the United Nations Development Programme, was also collaborating with the Global Partnership for Effective Development Cooperation to track providers' progress against effectiveness commitments.

12. With regard to modernizing official development assistance (ODA) in the context of the 2030 Agenda, OECD was fully committed to Sustainable Development Goal 10 on reducing inequality within and among countries. OECD members had not only undertaken to increase aid, but were also focusing on its quality and seeking to channel more highly concessional resources to the least developed countries. The new measure of total official support for sustainable development was a good basis for discussion on what needed to be achieved, and how to measure and report such support.

13. **Ms. Bayr** (Member of Parliament, Austria), panellist, said that, although the Austrian Parliament had tried to strengthen accountability, the Sustainable Development Goals were seen as successors to the Millennium Development Goals (MDGs) and were thus addressed from a narrow development cooperation perspective. However, the Sustainable Development Goals were much broader than the MDGs, encompassing work to combat poverty, close the gender pay gap and involve people with disabilities in the labour market, for instance. In order to achieve those Goals, silos needed to be broken down at the global and national levels. Rather than establishing another new committee on the Sustainable Development Goals, her Parliament needed either to build new structures or else learn how to use its old structures in a new way. It had conducted a survey to find out how other parliaments had changed their structures in order to address the Goals and hold Governments accountable. The results would be shared in due course.

14. The Austrian Parliament assessed the impact of all potential new legislation, including in relation to such areas as young people, the budget and the environment. She was currently working to broaden the scope of those assessments to include an analysis of the impact of new legislation on the 169 Sustainable Development Goal targets. If accepted, such analysis would raise awareness of the Goals among

parliamentarians and would strengthen policy coherence.

15. An inclusive national-level approach could support achievement of the Sustainable Development Goals. Members of parliament, with their capacity to hold Governments to account, as well as other stakeholders such as non-governmental organizations (NGOs), and the scientific community with its highly specialized know-how, should work together to generate synergies to monitor progress in achieving the Sustainable Development Goals at the local, national and possibly international levels. Lastly, parliamentarians could learn a lot from young people about development cooperation, and parliaments could provide an important space for openness and transparency; in that connection, the Austrian Parliament would soon be hosting a meeting to exchange ideas with students who had been studying sustainable development.

16. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what could be done to improve the accountability of development partners to their own citizens regarding the use and scope of development cooperation.

17. **Ms. Bayr** (Member of Parliament, Austria) said that there should be transparent, open dialogue between members of parliament and their constituencies. The work of the former was much easier if they knew that they were acting on behalf of people who shared their goals and interests.

18. **Mr. Chaturvedi** (Director General, Research and Information System for Developing Countries), panellist, said that it was important to keep in mind that, as the result of a bottom-up, multi-stakeholder process, the Sustainable Development Goals were the outcome of people's aspirations and ideas about development, representing a paradigmatic shift in terms of how sustainable development was viewed.

19. In accordance with the democratic process by which the Sustainable Development Goals had been drawn up, and in the same way that national Governments had been given room for manoeuvre in deciding which Goals to prioritize in their own countries, so Governments must also have the policy space to determine who would be responsible for monitoring and evaluation. However, international engagement would be vital in terms of resource mobilization, in the light of Goal 17 on revitalizing global partnerships. The same criteria should not be used to assess flows from different sources: for example, South-South and North-South cooperation must be assessed differently. National criteria for the assessment of flows should be respected; a "one-size-fits-all" approach to assessment and monitoring would not work. Multi-stakeholder partnerships should be given priority at the national level, but the United Nations, with its unique democratic composition and its experience in elaborating the Sustainable Development Goals, should be given due space to lead the monitoring and assessment process, in collaboration with civil society and parliamentarians, among others. The Inter-Parliamentary Union should raise awareness in that regard among its own member Governments.

20. **Ms. Mniki-Mangaliso** (Director, African Monitor) said that she would be interested to hear panellists' views on whether it was realistic for donors and development partners to align their frameworks with those of all their many partners. She wondered what the right balance was between national ownership and policy space, on the one hand, and universality for development partners, on the other.

21. **Ms. Arnez** (Adviser on Institutional and International Relations, Regional Government of Villamontes, Plurinational State of Bolivia), panellist, said that she represented the small, autonomous government of a region in the department of Tarija in the south of the country. The region's reserves of gas, which it exported to Brazil and Argentina, provided it with an independent source of revenue. The autonomous regional governments in the Plurinational State of Bolivia had aligned their programmes to meet the Sustainable Development Goals with the country's 2025 Bicentennial Patriotic Agenda. The Ministry of Planning was responsible for achievement of the Sustainable Development Goals, and implemented relevant programmes through departmental and subdepartmental governments, such as her own. Monitoring began at the subgovernmental level.

22. The Villamontes regional government was using the income it received from gas to develop programmes — for instance, on social housing, education and health — to meet the Sustainable

Development Goals. It provided support and health services throughout Villamontes, in both rural and urban areas, and had made many advances towards eradicating extreme poverty. Monitoring of programmes was overseen by the regional assembly of Villamontes, which was composed of eight elected members. Progress reports on development projects, indicating whether they were meeting the relevant quality standards and time frames, were submitted monthly or at the request of the Ministry of Planning.

23. The Villamontes regional government was new and did not yet have any development cooperation programmes in place. However, its allocations from the Bolivian Government and the direct tax on hydrocarbons (IDH) revenue it received enabled it to run a range of important programmes, especially in education, in support of the achievement of the Sustainable Development Goals. Using its IDH revenue, it had also established a rotating fund which operated like a small bank, providing minimal-interest loans to support poor farmers. Her government needed development cooperation, and especially technical assistance for the management and administration of resources.

24. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Department of Economic and Social Affairs), responding to a question from the moderator, said that it was important to have a sound results framework at the local level, so that planning and local partnership alignment could occur. It was likewise essential to integrate the values underpinning the 2030 Agenda into the results frameworks, and not merely rely on quantitative indicators.

25. As the definition of total official support for sustainable development was changing, there was room for dialogue about the different kinds of funding that could support sustainable development. Likewise, the concept of sustainable development itself had been redefined in the last year by incorporating the principle of leaving no one behind. Such changes might imply that the definition of partnership should also be modified to reflect the existence of new participants and implementation systems.

26. Parliaments had a unique opportunity to address policy coherence, which was the biggest challenge facing the Sustainable Development Goals. It was important to avoid confusing prioritization with simplification, which might occur if the 169 specific Sustainable Development Goal targets were merely glossed over.

27. It was easy to forget that the national reviews provided by governments and regional authorities for the people were in fact one of the core instruments of the 2030 Agenda. Within the development cooperation framework, it was important to work towards understanding how national reviews were being produced, how inclusive they were and how they could be supported to drive implementation.

28. Lastly, while North-South and South-South cooperation should admittedly be assessed differently in some respects, it was also true that, if development cooperation was genuinely aligned with national priorities, national sustainable development plans were the guiding factor and the delivery of outcomes was the defining criterion, then the same quality criteria — for example, the principle of leaving no one behind, and ensuring local accountability and results on the ground — should surely apply to all forms of support.

29. **Ms. Casar** (Observer for Mexico) said that in addition to traditional ODA, different resources, including domestic resource mobilization, would be necessary to achieve the transformative 2030 Agenda through development cooperation. The Global Partnership for Effective Development Cooperation was a unique platform that facilitated inclusive, multisectoral sharing of experience to maximize the impact of international development cooperation. The Mexican Minister for Foreign Affairs was currently a Co-Chair of the Global Partnership, representing those countries that were both recipients and providers of development cooperation and helping to give a voice to middle-income countries. Mexico was currently working on a triangular cooperation water management project with Malawi and the Netherlands, and would prepare an ad hoc report to be presented at the second high-level meeting of the Global Partnership, in Nairobi.

30. **Mr. Massina** (Togo) said that international development cooperation must be aligned with national results frameworks; like many other States, Togo already had a centralized results framework that had been developed during the era of the MDGs. With the advent of the Sustainable Development Goals, it was

necessary to move to a new integrated results framework, which would require the help of development partners. Given the principles of inclusion and accountability contained in the new development agenda, the new results framework must be elaborated from the bottom up, with the involvement of local governments and the people. However, local governments did not currently have sufficient human resources and would therefore need considerable training and capacity-building assistance.

31. Synergies must be achieved between national and local monitoring and follow-up mechanisms, integrating local strategies at the national level; in that regard, both South-South and North-South cooperation would be helpful sources of inspiration. Statistics would be crucial to ensure complementarity between local and national data. Currently, it was difficult for States to understand what actions were under way locally and thus to measure effectiveness; capacity must be further developed in that area.

32. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked whether there were lessons to be learned regarding universality and inclusivity in connection with the United Nations monitoring mechanism to review commitments made towards Africa's development.

33. **Mr. Hamam** (Director, Office of the Special Adviser on Africa) said that the 2030 Agenda emphasized the interlinkages between the high-level political forum on sustainable development and other follow-up and review mechanisms. In that regard, the United Nations monitoring mechanism to review commitments made towards Africa's development was a unique tool that could provide important input regarding the progress made towards the Sustainable Development Goals and their financing framework. The mechanism reviewed the commitments made towards Africa's development needs by both African countries and their development partners. As it was based on inclusiveness, mutual accountability and universality, its recommendations could enhance the effectiveness of development cooperation between African countries and their development partners in line with the objectives of the development cooperation framework.

34. The United Nations monitoring mechanism built upon existing civil society mechanisms such as the African Monitor. Working in collaboration with African and non-African regional and subregional organizations, as well as the Interdepartmental Task Force on African Affairs, it undertook surveys and broad regional consultations with various stakeholders, including Member States, think tanks, NGOs, academia, and the private sector. All such efforts must contribute to the effectiveness of development cooperation in tracking progress and identifying gaps in the implementation of the 2030 Agenda.

35. **Ms. Malonzo** (IBON International Foundation Inc.) said that the enabling principles for an effective, legitimate and people-centred results framework could be found in a rights-based approach that promoted human rights, gender equality, decent work, social justice and sustainability. Development cooperation should strengthen country systems, accountability mechanisms and capacity development to encourage meaningful participation by all stakeholders in development processes. National democratic ownership was necessary to engage civil society organizations. The policy influence of civil society organizations would be achieved not only by ensuring inclusive participation in consultations — which often remained episodic, occurring at the discretion of Governments — but also by creating structured, permanent forums for multi-stakeholder participation, especially forums that involved marginalized actors in advising and monitoring development results, indicators, plans and strategies.

36. It was likewise necessary to be inclusive in generating evidence, and be willing to receive and process various types of input from a wide variety of sources, not just quantitative ones. Qualitative data regarding the negative impact of development cooperation programmes must be accommodated and processed. Furthermore, the effectiveness of multi-stakeholder forums for dialogue was closely related to capacity development and the creation of an enabling environment for civil society organizations. Restrictions that affected the capacity of civil society organizations to express dissent and represent marginalized peoples presented serious challenges to the realization of democratic ownership.

37. **Mr. Remond** (Observer for the European Union) said that his delegation had consistently insisted on an inclusive, participatory and transparent process for

monitoring, review and follow-up. It was necessary to increase data collection, analysis and disaggregation, with a view to leaving no one behind. It was also crucial to break down silos not just between the Goals, but also between development actors. There was important complementarity between the Global Partnership for Effective Development Cooperation and the Development Cooperation Forum, which should be further emphasized.

38. Statistics were an instrument for accountability, but also held potential for mobilization, as seen in the important work done by OECD in reforming the definition of concessionality so that it reincentivized the provision of concessional financing to those countries that needed it most. Total official support for sustainable development was also an important aggregate to valorize broader development support beyond ODA.

39. **Ms. Killen** (Deputy Director, Development Cooperation Directorate of the Organization for Economic Cooperation and Development (OECD)) said that there were a range of incentives for better cooperation, including data, reporting, accountability and agreement on principles. It was important to have such conversations at the country level and to share experiences. Monitoring behaviour and setting the right incentives would never be just a technical exercise, as partnerships were constantly evolving.

40. It was necessary to use all resources available both to finance the Sustainable Development Goals and to ensure that efforts were maximized. Various forums, international partnerships, and national and regional processes should be used to continue dialogue and ensure accountability to citizens. The role of civil society was crucial to ensure that development cooperation efforts did not have unintended consequences.

41. The example presented by the panellist from the regional government of Villamontes, Plurinational State of Bolivia, showed how even in a country with a strong extractive industry, ample domestic resources and strong institutions for accountability, lessons could be learned from others in similar situations.

42. **Mr. Chaturvedi** (Director General, Research and Information System for Developing Countries) said that care was needed when interpreting the broader mandate that came from the 2030 Agenda; certain terms such as those relating to blending, alignment with national priorities and prioritization were confusing in terms of how to address issues of resource flows, management and results on the ground. Despite commitment to the 2030 Agenda, it was taking time for the global landscape to shift.

43. With regard to the issue of access to finance, technology and institutions, regrettably both information and institutional performances remained asymmetrical: the unfinished business of financing for development must be carried forward. Much greater concerted efforts by all stakeholders at the global level were needed to generate sufficient financing for development. Moreover, it was important not to gloss over the individuality of financial flows; North-South and South-South flows were based on different value systems and required different impact assessments. It was necessary to find points of convergence without abandoning the value system underpinning South-South cooperation. It was unrealistic to expect actors from the global South to sit down at a table led largely by actors from the North in forums such as the Global Partnership for Effective Development Cooperation; equal footing must be ensured for all actors. Self-motivated efforts by emerging economies were the way forward for development cooperation; it was essential to insist on the principle of common but differentiated responsibilities.

44. **Mr. De Santi** (Italy) said that the Global Partnership for Effective Development Cooperation was an important forum for all stakeholders to increase the effectiveness and quality of development cooperation. The second high-level meeting of the Global Partnership would be an important opportunity to share knowledge and lessons learned, as well as highlight innovative approaches to sustainable development and shape new partnerships.

45. At the national level, in 2014 Italy had begun an important reform process in line with the 2030 Agenda. In particular, it was now implementing a new development cooperation law that recognized the inclusive partnerships and coordination needed to increase the effectiveness and impact of development assistance. The law also established an innovative normative governance system, recognizing the value of

inclusive and systematic dialogue between policymakers and all other stakeholders.

46. His delegation would appreciate feedback on the importance of developing joint results frameworks, both globally and regionally. At the level of the European Union, work was being conducted to define a joint framework for development cooperation and assistance.

47. **Ms. Ghartey** (Ghana) said that the consultation process had whetted the appetites of ordinary people around the world, who now knew that they must be consulted in order to ensure a bottom-up approach to country results frameworks. It was necessary to move away from traditional top-down models where data and requirements were imposed by the central Government: a bottom-up approach to elaborating a results framework should start from the basis of citizen data.

48. She would be interested to know more about the role of open data in monitoring development cooperation and assistance. Without open data, it would be difficult to obtain data from development partners at the appropriately disaggregated country level.

49. **Mr. Motter** (Observer for the Inter-Parliamentary Union) said that there had been no discussion of what was the most important monitoring system for development cooperation in each country, namely, the budget process. While aid was immediately recognized to be a budget issue, the picture was now more complex. The budget and auditing process needed to involve also looking at the hidden liabilities associated with public and private partnerships, including the terms of loans that Governments took out from international financial institutions. Currently, half of the world's parliamentary bodies had little to no knowledge of those terms.

50. The world was currently engaged in a race to the bottom with regard to corporate taxation, hoping to attract companies by lowering the tax rate. However, there was insufficient discussion of that issue in the public domain or as part of the budget process. There were additionally vast differences among countries on how the budget process was conducted, in terms of representation, transparency and oversight. The Open Budget Survey conducted by the International Budget Partnership revealed the existence of such discrepancies, including in many developed countries. He wondered whether there was a universally agreed standard to govern the budget process, and if so, whether its application should be monitored in order to strengthen monitoring for development cooperation.

51. **Mr. Byereta** (Uganda) said that in most countries, civil society and other non-State actors spoke for the voiceless and ensured government accountability. While that meant that the relationship between civil society and Governments was unfortunately often acrimonious, it was necessary to learn how to move forward in partnership. He wondered how operations could be harmonized to ensure that the various actors could work together on the achievement of the 2030 Agenda. Accountability and transparency must apply to civil society organizations and non-State actors at the country level as well as to Governments.

52. **Ms. Bayr** (Member of Parliament, Austria) said that there was still insufficient capacity to involve parliamentarians in monitoring and review processes. More capacity should therefore be built at the national level, including through partnerships between parliaments; it could also be developed at a more institutional level, for example, through the establishment of a supreme court of audit, which would help parliamentarians to focus on budgeting. The existence of similar standards to govern all national budget processes would be helpful.

53. It was important to remember that accountability was multilayered. When the effects of development cooperation programmes were measured, they were often found to have both intended and unintended consequences. If they had unintended negative effects, both the people affected and the taxpayers who had funded the projects in partner countries deserved accountability.

54. Concern had been expressed about the highly technical nature of discussions on the 2030 Agenda. If transparency were to be seriously addressed, the language used must be translated into a more accessible format so that ordinary people could understand the importance of the Sustainable Development Goals in their own lives.

55. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what opportunities existed for real

partnerships between Governments and civil society with regard to monitoring processes.

56. **Ms. Zeballos Arnez** (Adviser on Institutional and International Relations, Regional Government of Villamontes, Plurinational State of Bolivia) said that within her regional government, the municipal level was mainly responsible for relationships with civil society. Groups called "juntas vecinales", bringing together civil society representatives from all neighbourhoods, presented requests for programmes through the municipal mayor and reached agreements with the municipal government, which worked in coordination with the regional government. The "juntas vecinales" also exercised oversight over the municipal mayor and government through a process known as social control.

57. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked whether it was viable to combine joint results frameworks and a bottom-up approach.

58. **Mr. Twesiime** (Assistant Commissioner, Development Assistance and Regional Cooperation Department, Ministry of Finance, Planning and Economic Development, Uganda) said that it was important not to lose focus when working at the grassroots level. All partners must first and foremost agree to align their priorities on the basis of national development plans encompassing all international obligations. If there was a divergence at that level, no joint framework would be possible.

59. It was impossible to monitor the implementation of national plans without looking at data from all levels, including the planning, programming, service and activity levels. Those positioned at the local level would inevitably have a better understanding of what was needed locally.

60. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what might be the role of open data in that regard.

61. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Department of Economic and Social Affairs) said that bottom-up development plans must be informed by an inclusive process that recognized the important role of locally elected officials. For alignment with national and subnational priorities to work, data must be open and available, at the subnational as well as the government level. According to the Sustainable Development Goals Report 2016, much data was still lacking, especially at the subnational and local levels. The biggest challenge would therefore be to build statistical data capacity at the local level in order to hold all local, national and global players accountable.

*Session I: "Development cooperation by the private sector, other non-State actors and blended development cooperation"*

62. **Ms. Gerger** (Chief Executive Officer, Swedish Leadership for Sustainable Development), delivering the keynote address, said that cooperation between the private sector and development organizations was essential to the achievement of the Sustainable Development Goals. The aims of sustainable development and of business went hand in hand: sustainable innovation by business made employees proud, satisfied customers, benefited the environment and society, brought returns to owners and investors and helped companies comply with regulatory frameworks.

63. Swedish Leadership for Sustainable Development, a network of 22 textile, transport, information and communications technology, furniture, food and beverage companies, had taken the lead in establishing action- and results-oriented cooperation initiatives with organizations. It had issued a joint declaration with a view to reducing the negative environmental impact of its members' activities, optimizing resource use, establishing good working conditions, fighting corruption and working towards good business ethics and equality, in accordance with the Sustainable Development Goals. Members of the network attended frequent round-table meetings at which they exchanged ideas and discussed cooperation with organizations from many sectors and geographical areas. They had established 10 action programmes, produced declarations and papers, and participated in such high-level forums as the annual meetings of the World Economic Forum in Davos, Switzerland. They had learned that they needed a profound understanding of each other to build trust and relationships before the full potential of cooperation could be reached; that seeking common ground on the basis of the Sustainable Development Goals was more productive than pursuing their individual agendas; and that respecting each other's diverse mandates and roles while taking into

account the 2030 Agenda was essential. The Sweden Textile Water Initiative, a public-private development partnership that brought together 20 Swedish textile businesses and the Stockholm International Water Institute, had in two years significantly reduced energy, chemical and water use throughout the global value chain.

64. The Swedish Government aimed to report to the community at large on the progress of the 52 State-owned enterprises in achieving ambitious goals, including in the area of sustainability. Systembolaget, the State-owned company that sold alcoholic beverages, had taken initiatives aligned with the Sustainable Development Goals. Together with other Nordic State-owned enterprises, it had produced a code of conduct and follow-up programme for the promotion of dialogue, the training and development of farmers and producers around the world, and good practices. It had also set sustainable environmental targets based on consumer demand: 11 per cent of its sales were organic products, it had reduced its carbon footprint by using lightweight bottles, and it promoted fair trade brands.

65. **Mr. Martin** (Director, Development Finance International), moderator, said that the financing provided annually by foundations, civil society organizations, NGOs and corporate social responsibility initiatives through private development cooperation amounted to $50 billion. The amount provided through blended public and private development cooperation and private non-development cooperation was also significant, although estimates varied. An example of blended private and public development cooperation was the support provided by the Bill and Melinda Gates Foundation, together with many bilateral and multilateral donors, for the Global Fund to Fight AIDS, Tuberculosis and Malaria. Although private flows were often considered to be more important than public flows in such cooperation, they were in fact often associated with large net reflows or repayments; consequently, blended development cooperation would be an increasingly important source of financing in the future.

66. In two papers drafted for the Development Cooperation Forum, Development Finance International had found that most stakeholders measured the effectiveness of development cooperation on the basis of ownership, transparency, mutual accountability, partnerships, alignment, a focus on results, and financial oversight and anti-corruption issues. Private development cooperation would contribute to the achievement of the Sustainable Development Goals by addressing economic growth and development, poverty and inequality, essential service provision and public goods, gender, the establishment of peaceful and inclusive societies, jobs and decent work, environmental sustainability, climate change, and fair taxation.

67. **Mr. Gamboa** (Director, Colombian Presidential Agency for International Cooperation), panellist, said that Colombia planned to use the 2030 Agenda as a tool to implement the peace agreement that would soon be signed. To ensure that private sector involvement in development went beyond philanthropy and corporate social responsibility, the 2030 Agenda must be considered as a portfolio of investment opportunities for the private sector. To establish partnerships with business, a more innovative approach to blended development cooperation was needed. His Agency, which coordinated the international cooperation received by Colombia and the South-South and triangular cooperation provided by it, operated under the principles that partnerships were essential and that the public and private sectors and civil society must be involved in every project it designed. It used traditional international cooperation to derisk private investments in development projects while deconstructing the typical approach taken in such cooperation. It worked with such bodies as the United Nations Global Compact and the Global Reporting Initiative to establish and measure public-private partnerships. Its blended development cooperation initiatives included a social impact bond designed under the leadership of Instiglio and other financial sector bodies, with the participation of ODA partners to derisk the private sector investment. The bond would reduce unemployment in Colombia in line with the Sustainable Development Goals and would bring returns for investors, provided that sufficient donors were found. Through ODA, the Agency had also derisked investments by United States and Swedish private equity funds in isolated areas of Colombia; such investments would be essential following the signature of the peace agreement.

68. **Mr. Wennubst** (Assistant Director General, Global Cooperation, Swiss Agency for Development

Cooperation), panellist, said that development pressures were forcing industries to align their priorities with those of the societies in which they operated, a practice known as business diplomacy for sustainable development. However, companies and societies would change slowly unless a global crisis occurred. The 2030 Agenda was intended to transform such a crisis into an opportunity by rethinking approaches to the sustainable creation of value. The priorities of business leaders had already changed significantly; in the 1960s, for example, chemical companies had not treated their waste water, but in recent years they had started to invest in water management and to help producers to obtain land titles, activities which had previously been performed by development organizations. That change had resulted from the use of ODA to promote public-private partnerships through the granting of incentives to companies that adopted good practices early, followed by the provision of regulatory support to the public sector once those practices became the norm.

69. The future of ODA lay in helping companies practice business diplomacy, which had become more widespread and should be encouraged. The success of Swiss initiatives in the area had been evident at the July 2016 meeting of the high-level political forum on sustainable development, at which a representative of Swiss Sustainable Finance had criticized the Swiss Government's attempts to make itself fit for purpose to implement the 2030 Agenda. The ODA system should focus not only on obtaining more financing but also on using it effectively. United Nations support for regulation would be important in the future, since global risks could not be eliminated through national approaches alone. United Nations funds, programmes and agencies working in public-private partnerships should set standards to ensure that the risks associated with such partnerships were not too high.

70. **Mr. Finnigan** (Head, Development Organizations, Corporate and Investment Banking, Citi), panellist, said that development cooperation policy changes, capacity-building and financial cooperation were needed to achieve the Sustainable Development Goals. Since the adoption of the 2030 Agenda, financial cooperation had ceased to be limited to ODA and required an innovative approach. Of the $4.5 trillion needed annually to achieve the Sustainable Development Goals, only $1.5 trillion had been secured; the shortfall was equivalent to 3 per cent of global gross domestic product (GDP).

71. Blended financing was viable because donors and companies shared an interest in using development finance and philanthropic funds to catalyse private capital flows to emerging markets to improve social, economic and environmental development and provide risk-adjusted returns in line with market conditions. The combination of public philanthropic funds with private capital resulted in a multiplier effect. For example, one NGO client of Citi aimed to improve housing for low-income families by attracting investment rather than donations. The investors pledged their assets as a guarantee using a standby letter of credit. On the strength of the letters, Citi issued a guarantee to a development financial institution that allowed it to mobilize an average of nine times more financing than it could otherwise have done. The Grameen Foundation Growth Guarantee programme had used similar pledges to mobilize an average of four times more financing, enabled local currency lending that reduced foreign exchange risk, and reduced the perceived risks of lending to microfinance organizations. The private sector and local financial institutions and governments should be involved at an early stage in the design of blended financing initiatives. To ensure that those initiatives were scalable, they should be embedded in day-to-day operations rather than being carried out in a test bed or innovation laboratory. In addition, the pooling of assets helped to give scale to such programmes.

72. The Swedish International Development Cooperation Agency, the United States Agency for International Development, Citi and the Sumitomo Mitsui Banking Corporation had founded the Sustainable Development Investment Partnership, whose 25 members, including Governments, funding donors, commercial and financial institutions and institutional investors, provided guidance on structuring deals and sharing knowledge, information and best practices. The World Economic Forum and OECD provided the secretariat of the Partnership.

73. **Mr. Nizar** (President, Privatization and Corporatization Board, Ministry of Finance and Treasury, Maldives), panellist, said that innovative, diverse financial instruments and development cooperation were required to address the shortfall

facing developing countries and implement the 2030 Agenda. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development reaffirmed the importance of ODA and recognized the financing shortfall and the contribution of all sources of development financing, including domestic resources, private investment and philanthropic flows. Although the sources of such financing now included banks, pension and sovereign wealth funds, insurance companies and foundations, access to funding aligned with national priorities was still a challenge. International public financing remained essential to such small island developing States as Maldives, whose small economies and limited resources made it difficult for them to obtain private financing for sustainable development. Public-private partnerships, however, were an important part of such financing, and had succeeded in such sectors as climate change management. In 2014, the World Bank had approved an International Development Association guarantee for the Accelerating Sustainable Private Investment in Renewable Energy project in Maldives. Over five years, between 20 and 30 MW would be generated through private-sector investments of $40 to $70 million in photovoltaic systems to reduce the country's dependence on diesel, which had given it a large carbon footprint and one of the highest power generation costs in South Asia. The solar energy generation potential of Maldives was immense, given its geographical location.

74. Nearly 80 per cent of Maldivian air traffic passed through Male International Airport, whose growth had not kept up with that of tourism because of a lack of land and financing. With the help of donor agencies and partners, his Government had established a successful partnership with the private sector to expand the airport as part of its strategy to liberalize air transport, improve competitiveness and boost GDP. It had played a similar facilitating role in the fisheries sector. In construction, the Government's role was to select the location of new buildings, set regulations and establish an enabling environment for private financing. Maldives had encountered problems in financing such infrastructure projects as harbours and water projects because it was perceived as a middle-income country with high per capita GDP.

75. **Ms. Lonsdale** (Policy and Engagement Adviser, Development Initiatives), panellist, said that research recently undertaken by her organization on the role of blended financing in the 2030 Agenda had revealed an absence of some essential data related to such financing, including how much of it was donated by official actors and how much in the form of ODA. As the main provider of technical support to the International Aid Transparency Initiative, Development Initiatives had learned that the success of multi-stakeholder partnerships required consultation among all members and an understanding of each actor's institutional strengths, values and comparative advantages.

76. Blended financing would not address all the investment challenges facing developing countries, since it mainly benefited middle-income countries. Only 11 per cent of it went to least developed countries, a rate comparable with the proportion of foreign direct investment those countries received. Consideration should be given to the ways in which blended financing could be incorporated into country-owned financing strategies.

77. Although the function of ODA in blended financing was often perceived as limited to the derisking of private investments, such assistance in fact included not only funding but also technical capacity-building and country-specific experience. It was worth examining how ODA could address the problems that deterred private investment in least developed countries.

78. **Mr. Joshi** (Managing Director, The B Team), panellist, said that 47 countries were currently experiencing conflicts, with an average length of 37 years, millions of young people were unemployed and thousands of children were dying from preventable causes. However, the Sustainable Development Goals Report 2016 gave cause for hope. Now that the international community had the technology, resources and political desire to leave no one behind, it must find ways of measuring progress in the implementation of the 2030 Agenda.

79. Although business had contributed to well-being through developments in science and technology, it had also increased inequality and, for some countries, financial risk. It must therefore now be mobilized to help solve the world's problems. Whereas in the implementation of the MDGs businesses had been encouraged to enter partnerships through philanthropy,

their greatest contribution to the achievement of the Sustainable Development Goals would be to make efforts to solve development problems and share their value fairly. They could also help channel funds currently spent on such areas as the military into poverty eradication and education. The public and private sectors and civil society all had a role to play in sustainable development. For example, the publication by companies of their beneficial ownership information encouraged Governments to establish registries of such information and thereby contributed to transparency. The introduction of open contracting in many countries ensured that companies competed to deliver the highest-quality infrastructure. Although business must be held accountable to Governments and civil society, the implementation of the 2030 Agenda was an opportunity to make discussions on development more collaborative and ensure that new voices were heard.

80. **Mr. Motter** (Observer for the Inter-Parliamentary Union) said that the current debate should be viewed not only from a technical but also from a political perspective. Bearing in mind that Governments found it difficult to maintain public-private partnerships owing to, inter alia, significant overheads and potentially high liabilities and opportunity costs, as well as the need to account for profit margins for the private sector entities involved, it was therefore necessary to question when Governments should seek public-private partnerships to provide essential infrastructure and services, and when such partnerships were purely a political choice. Should Governments perhaps only consider such partnerships after having explored other possibilities for raising funds, such as taxation, bond markets or other instruments?

81. **Mr. Martin** (Director, Development Finance International) said that public-private partnerships remained precarious for the private partners. Furthermore, public sector partners were often unprotected, and the costs and risks for those partners should be taken into account. There should also be discussions on increasing the involvement of small and medium-sized enterprises in public-private partnerships.

82. **Mr. Joshi** (Managing Director, The B Team) said that he agreed that it was critical to talk more about the involvement of small and medium-sized enterprises in public-private partnerships, since it was the middle level of the economy that was driving growth and employment creation. The production of goods and services would change dramatically over the next 15 years, whether through means such as three-dimensional printing, which would reduce prototyping costs, or as a result of the proliferation of fifth-generation Internet access, which would make it easier to access information.

83. With regard to actions to be taken, entrepreneurs should harness innovation to help solve existing problems in their communities. It was also necessary to increase their engagement in organizations such as the United Nations, while also finding new forums for discussion. To that end, The B Team was recruiting innovators from around the world, and Silicon Valley in particular, in critical areas such as nutrition.

84. **Mr. Gamboa** (Director, Colombian Presidential Agency for International Cooperation) said that, while the Colombian Government had already identified information relevant to over half of the Sustainable Development Goal indicators, it had found that much more information was available in the private sector. Most providers of such information were the owners or providers of various applications or programmes that could be used to identify needs or gaps relevant to achieving sustainability and other aspects of development. Similarly, the inclusion of additional actors, such as universities, in discussions on international development cooperation would allow new concepts and knowledge to be considered. The manner in which business was conducted could be altered through experience and the participation of as many actors as possible, which would also help to dismantle the current individualist approach.

85. **Mr. Wennubst** (Assistant Director General, Global Cooperation, Swiss Agency for Development Cooperation) said that over one hundred countries had asked for current international cooperation agreements to be reviewed, in a clear request for large corporations to collaborate more with small and regional businesses and thereby increase local employment. As some corporations had previously suspended their investments due to an inability to find sufficiently skilled employees, new technologies should be used to support countries in improving the vocational skills of the next generation to enter the workforce.

86. To that end, ODA had a role to play in creating an enabling environment and increasing capacity-building. Countries must find new ways of doing business, and situations in which a small percentage of the workforce accounted for a much larger proportion of exports or GDP should no longer be tolerated. Both political and technical assistance was required in that regard.

87. **Mr. Finnigan** (Head of Development Organizations, Corporate and Investment Banking, Citi) said that his organization had created a framework whereby a number of start-up companies and small or micro enterprises were invited to address a set of challenges relating to, for example, transparency and corruption. The participants with the best ideas would receive seed funding, resources, space or other incentives to participate with large public sector organizations.

88. **Mr. Nizar** (President, Privatization and Corporatization Board, Ministry of Finance and Treasury, Maldives) said that the Government of Maldives was working to develop small and medium-sized enterprises owned by young people, and providing small loans for young people. The Government had also decided to extend sovereign guarantees that would enable small and medium-sized enterprises to borrow funds on foreign markets.

89. **Ms. Lonsdale** (Policy and Engagement Adviser, Development Initiatives) said that the two objectives of blended finance were to generate a financial return and to enhance development outcomes, specifically in order to achieve long-term results for people on the ground. National Governments were the stakeholders with the greatest interest in the process. The principles of development effectiveness were a useful starting point for dialogue, given that transparency, among other concepts, was regarded differently in various institutional contexts and needed to be adapted in order to be workable. However, as many development finance institutions had begun to follow International Aid Transparency Initiative guidelines in publishing detailed data on projects being funded at the national level, the focus should now be on getting national Governments involved in using the data to achieve long-term as well as short-term results.

90. **Mr. Martin** (Director, Development Finance International) said that his organization had helped countries to decide on the most suitable forms of financing for their circumstances. Public-private partnerships were often not the most appropriate choice, unless specific expertise was required that could not be found outside the private sector. Ownership and leadership must also be taken into account, as it was illogical for an actor to intervene in a country's affairs in order to take actions in parallel with, or running counter to, government priorities.

91. With regard to the need for increased transparency, it had been found that much of the data requested by the International Aid Transparency Initiative was already produced internally by many organizations. Such financial and practical challenges could often be resolved through multilateral discussions.

92. **Mr. Byereta** (Uganda) said that, as development cooperation was based on trust, it was natural that citizens and Governments would want assurance that private development partners were trustworthy. He asked what moral authority or credibility major players in development could have, given the public knowledge of issues such as illicit financial flows, tax avoidance and the large-scale loss of resources. It was necessary to question whether the private sector was a reliable and trustworthy partner and how it was regulating itself, if at all.

93. **Mr. Ji Ping** (China Foundation for Peace and Development) said that it was important for the Chinese Government that civil society participated fully in achieving the 2030 Agenda. As China had increased its involvement in the international community, the number of NGOs in China had grown. In July 2016 representatives from hundreds of NGOs had participated in a Civil Society 20 meeting in China to discuss such subjects as poverty, innovation and green development. The outcome of the meeting had been a communiqué on those topics, which urged Governments to take fast and substantive action to implement the 2030 Agenda. Civil society must act as a communicator, supervisor and facilitator in that regard.

94. The Chinese Government supported the vital work of civil society in public affairs and economic and social development. Interaction between the Government and civil society groups was increasing. Civil society had been working throughout mainland

China to eliminate poverty. After 30 years of development, China had now also begun to provide development assistance to other countries and many Chinese NGOs had also become involved in foreign development aid projects. China Foundation for Peace and Development had launched a number of pro bono projects in various African and Asian countries, in areas including health care, education and vocational training, and had also arranged two workshops on the Sustainable Development Goals.

95. **Mr. Lanfranco** (International Trade Union Confederation) said that, while the private sector and trade unions both had a major role to play in achieving Sustainable Development Goal 8, the accountability of businesses in the private sector remained a concern, particularly when such businesses received public funding through ODA. There was also a discrepancy between the emphasis placed by donor policies on the private sector and the reality and needs of developing countries. Furthermore, private sector investments primarily targeted middle-income countries. It was important to ask how the contribution of private investments to the local economy could be maximized.

96. Some issues, such as the provision and protection of public services, could only be addressed through public finance. Research conducted by trade unions had shown that development finance institutions were often unsuited to managing aid flows in line with existing best practices as they were unable to measure the social and labour impact of development projects. They also lacked an appropriate system for guaranteeing the ownership of development projects by the Governments and stakeholders of developing countries. Moreover, the manner in which institutions operated could undermine international development goals; for example, some donors used development aid to further their own interests or those of national companies rather than to address the needs of people living in poverty. To that end, States must be the main guarantors of development and cooperation policies based on collective priorities. All development actors, including the private sector, should be accountable to the people in receipt of aid.

97. **Ms. LaRue** (Observer for the Dominican Republic) said that, since the private sector prioritized profit and its purposes were not always aligned with national development concerns, it would be useful to know more about business diplomacy for sustainable development and how it could help address that issue.

98. **Ms. Gerger** (Chief Executive Officer, Swedish Leadership for Sustainable Development) said that corruption and trust continued to be important issues for businesses. Governments and NGOs, among other actors, and required clear codes of conduct. In Sweden, those issues had been prioritized and would be addressed through cooperation between the Government and State-owned enterprises.

99. **Mr. Joshi** (Managing Director, The B Team) said that tax and development financing were closely linked and there must be an open and honest dialogue on strengthening the global tax system. In addition to poverty reduction strategies, innovative forms of taxation that would contribute to achieving the Sustainable Development Goals, such as carbon taxation or a tax on consumption, must also be considered.

100. Furthermore, discussions on business and tax should become less hostile and more open. There was a business case for companies to invest in countries where stronger taxation meant a better educated workforce, better infrastructure, and a healthier population. Work should be begun with OECD and other actors to examine how environmental practices and other processes could best be taken forward. Moreover, companies should follow the example of Unilever and begin to publish their tax principles and other relevant tax information.

101. With regard to labour, it was critical to establish ways for companies to reduce costs while improving the provision of services, ensuring that livelihoods were protected and upholding the rights of those in the hidden workforce. Governments could participate by examining concepts such as fiduciary duty and transforming the long-term behavioural attitudes of businesses so that they acted in the interests of society. Such initiatives as the establishment of benefit corporation statutes in the United States and community interest companies in the United Kingdom could help in that regard.

102. **Mr. Wennubst** (Assistant Director General, Global Cooperation, Swiss Agency for Development Cooperation) said that, in the case of a food trading company working in a successful public-private

partnership with a State to ensure land tenure access or land titles for smallholder farmers, an example of business diplomacy would for the company not only to participate in line with its own interests, but also to share its experiences in broader forums so as to help and improve the regulation of systems in the future.

103. Derisking did not relate solely to financial instruments. For example, high insurance costs owing to a lack of precise meteorological data could prevent smallholder farmers from benefiting from public-private cooperation. However, technological advances had now made it possible to acquire high-quality satellite images that could be examined by software companies in order to improve predictions of food production. Such activities, which were led by Governments, could decrease costs and risk for all parties, through broader cooperation between insurance companies and smallholder farmers. In addition, mobile payments systems could be used to reduce petty corruption. In the future, such practices could be shared through business diplomacy in order to further develop regulatory measures.

104. **Mr. Martin** (Director, Development Finance International) said that, although some good practices existed, development finance institutions experienced difficulties in assessing the impact of their policies on poverty, inequality, tax and labour, among other areas. Nonetheless, some Scandinavian development finance institutions had refused to blend their money with that of private sector companies unless those companies could prove that they were paying fair taxes and applying decent working standards. While some development finance institutions did not request tax exemptions on their projects, it was scandalous for potentially profitable private sector projects to request the same treatment as charitable aid projects. Although approaches varied widely, the best practices in the field should be emulated. Moreover, the private sector should be more involved in tax discussions. For instance, many major companies in the United Kingdom had agreed to have their accounts independently audited in order to prove that they were paying fair taxes. More generally, the claims of private sector entities needed to be independently validated by other stakeholders, including trade unions and affected communities.

*The meeting rose at 1.00 p.m.*